

HIGH SCHOOL CORE AREA

Economics

Standard ECON-5: The student will demonstrate an understanding of the various economic institutions of a market economy.

ECON-5.1 Compare the significant characteristics of a market economy with those of traditional and command economies, including differences in the roles of the government, individual firms, and households in decision making; types of economic institutions; the extent of consumer sovereignty/choice; and the role of private property rights, competition, and the profit motive.

Taxonomy Level: B 2 Understanding/Conceptual Knowledge

Previous/future knowledge:

In the first grade (1-6.1, 1-6.3) students explained the concept of scarcity and the way it forces individuals and families to make choices about which goods and services to obtain and identify ways that families and communities cooperate and compromise in order to meet their needs and wants. First grade students (1-6.4) also recognized the roles of producers and consumers and the ways in which they are interdependent. In second grade (2-5.1, 5-5.3) students identified examples of markets and price in the local community; explained the roles of buyers and sellers in creating markets and pricing; and recognized that people's choices about what they buy will determine what goods and services are produced. In third grade (3-5.1, 3-5.3) students summarized developments in industry and technology in South Carolina in the late nineteenth century and the twentieth century and summarized changes in South Carolina's economy in the twentieth century, including the rise and fall of the cotton/textile markets and the development of tourism and other industries.

In fifth grade (5-3.1, 5-4.1) students explained how the Industrial Revolution was furthered by new inventions and technologies and summarized changes in daily life in the boom period of the 1920s, including the improved standard of living; the popularity of new technology such as automobiles, airplanes, radio, and movies. Also in fifth grade (5-5.2, 5-5.4) students summarized changes in the United States economy following World War II, including the expanding job market and service industry, consumerism, and new technology and also explain the course of the Cold War, including differing economic and political philosophies of the Union of Soviet Socialist Republics (USSR) and the United States, the spread of Communism, McCarthyism, and others.

In sixth grade (6-1.5) students explained the role of economics in the development of early civilizations, including the significance and geography of trade networks and the agriculture techniques that allowed for an economic surplus and the emergence of city centers. In seventh grade (7-1.6, 7-6.2) students explained the emergence of capitalism, including the significance of mercantilism, a developing market economy, and summarize the events of the Cold War, including the Soviet domination of Eastern Europe; the rise of the Communist party in China; the

building of the Berlin wall; the economic and political competition for influence in Vietnam and Korea; and the Cuban missile crisis among others.

In high school, Global Studies (GS- 4.4, GS-5.5) students explained the causes and effects of political, social, and economic transformation in Europe in the nineteenth century, including the significance of nationalism, the impact of industrialization for different countries, and the effects of democratization and compared the ideologies and global effects of totalitarianism, Communism, Fascism, Nazism, and democracy in the twentieth century. Global Studies (GS-6.1, GS-6.2) students also summarized the ideologies and global effects of Communism and democracy, including the effects of totalitarianism and Communism in China and the effects of Communism in Eastern Europe and Soviet Union and the worldwide effects of the Cold War, including the competition for power between the United States and the Soviet Union, the changing relationships between the Soviet Union and China, the response by popular culture, and the collapse of the communist states.

Also in high school, United States history (USHC-5.1, USHC-5.2) students summarized developments in business and industry, including the ascent of new industries, the rise of corporations through monopolies and corporate mergers, the increasing availability of consumer goods and the rising standard of living, the factors that influenced the economic growth of the United States and its emergence as an industrial power, including the abundance of natural resources; government support and protection in the form of tariffs, labor policies, and subsidies; and the expansion of international markets associated with industrialization. Also in high school students (USHC-9.2) summarized the origins and course of the Cold War, including the containment policy; the conflicts in Korea, Africa, and the Middle East; the Berlin Airlift and the Berlin Wall; the Bay of Pigs and Cuban missile crisis among others.

Future Knowledge

While no future knowledge is required students must have a basic foundation of knowledge on the basics of a market economy. Students will live and work in this economy throughout their lives and thus, must understand the key characteristics and institutions that distinguish a market economy. Throughout their lifetimes students should especially understand the role of consumers' choice, competition, and private property rights in a market economy.

It is essential for students to know

Students should understand the key differences between a market, traditional, and communist economy. Students must have a general understanding of how these different systems organize economic activity. In comparing these systems, students should understand the role of consumers, government, property rights, profit, and competitive behavior, in the functioning of these systems, with particular emphasis on the market economy. It is particularly important for students to understand the role of government in establishing property rights – both tangible and intangible – (physical property, patents, copyrights) and how the establishment of those rights affect economic behavior. It is also important for students to understand key market incentives inherent in competition and the profit-motive. Students must also have a sound foundation in the role of the consumer and the ability of the consumer to influence market choice and outcomes in these different economic systems.

It is not essential for students to know

Students do not need to know how different governments throughout history have impacted markets and markets behavior. For example, it is not necessary for students to know how the Greeks and Romans established property rights. As well, students do not need to know specific examples of economic policies from communist, traditional, or market economies. Thus, they do not need to know examples like the former Soviet Union's 5 year plans, or Chinese examples like the Cultural Revolution.

Assessment guidelines:

Appropriate assessment requires students to *compare* the significant characteristics of a market economy with those of traditional and command economies; therefore, the primary focus of assessment should be to *contrast* key similarities and differences in the economic organization of command, market, and traditional economies. Appropriate assessment may also require students to *explain* the importance of key market characteristics like property rights, consumer choice, competition, and profit.